



Australian Bureau of Statistics

1352.0.55.077 - Research Paper: Estimating Average Annual Hours Worked (Methodology Advisory Committee), Jun 2006

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Summary

About this Release

Estimates of annual hours worked by employed Australians are used in an index of hours worked. The index is a labour input for productivity estimates in the Australian System of National Accounts. While adequate for use in an index designed to measure change, the level estimates of annual hours worked contain an upward bias because the method used does not adjust for the effects of public holidays and other events which tend to reduce hours actually worked.

This paper describes an ABS project to improve the quality of the Australian average annual hours worked estimates. It outlines a new approach for calculating estimates of average annual hours worked for Australia based on methodology used by Statistics Canada. Unlike the Statistics Canada method, the method presented in this paper uses an intervention analysis to estimate the effects of holiday events on the hours worked data from the monthly ABS Labour Force Survey.

Between 2002 and 2005 the estimates of average annual hours worked calculated using this new method are on average 4.6%, or 83.9 hours, lower than estimates calculated using the current method.

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